

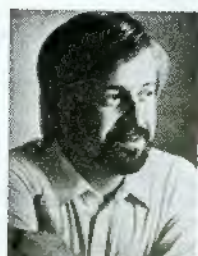
# MINSK economic NEWS

1994. February

No. 2 (14)

## Shushkevich's era gone

### Dear food and cheap shows



By **Mikhail VOLODIN**,  
Editor-in-Chief

"The revolution Bolsheviks talked about for so long has happened!" This phrase by the leader of the world proletarians may be used as an epigraph to the Belarusian January.

What the Moscow communists wanted to achieve twice with arms in their hands, has come about somehow all by itself in Belarus. Without resorting to violence, the Bolsheviks (i.e. the Belarusian parliamentary majority) have removed from power the alien "green" professor of physics and replaced him by a "red" policeman and fireman.

It was a real show! Deputies of all colours and shades formed a wolf pack and (what a wonderful word) consolidated.

Let us not pile it on. By and large, it has been a trifling event. Mechyslav Gryb, who has replaced Shushkevich, is right when he says that the change of chairman will not change the basic positions of the Supreme Soviet.

What can be changed? The positions of the parliamentary majority have long been reflecting the opinions of PM Vyacheslav Kebich, whom (I call our Lord as a witness) no one wants to replace and whose opinions are well known.

Within a few days following the killing of the first Belaya Vezha bison (this is how the communists referred to Shushkevich for his denouncement of the Union Agreement in the Belaya Vezha forest), Kebich spoke several times in various places.

The new thing in his speeches was his unexpectedly outspoken declaration that the government intended to supervise the mass media. One may doubt any declaration of the PM, but not this one.

The beginning of February was marked by three prominent events: because of the parliamentary revolution the strike committees have scheduled for February 15 a political strike to continue for an indefinite term; the government kept on playing with fire and increased from February 4 the bread prices, so that now the minimum monthly pay of BRB 30,000 can buy 25 loaves of wheat bread exactly; the new parliamentary chairman has made a good step to win public support: in response to the strike committee declaration he ordered the KGB to find the instigators and look into their actions.

This is the kind of life that we live.

When some people say it is hard to live in the times of changes, don't believe them. It is hard to live because nothing changes in our communist wildlife reserve. However, there is one comforting thing: communists have never completed anything. It is my hope their present business is no exception.

Therefore, instead of the rouble circulation area, we shall be in for a long spell of chronic arguments on what it should be like. Instead of the CIS economic union, there will be a union of "red" factory managers, and then in the end, like after a war, we shall have to start everything anew. Instead of cheap bread, we shall have cheap entertainment in the form of parliamentary shows. The bread will be so expensive, that some people won't afford it, while the entertainment will be so cheap, that few will know how to react adequately: either still cry or already laugh.



Sergey GRITS

### Stormy days in parliament

By **Roman YAKOVLEVSKY**

Last January the Belarusian political life was extremely eventful. President Bill Clinton's visit scheduled for January 15 had been expected to be the main event. However, this day has become a starting point for sensations influencing so far just the internal political situation in this country. On the day of the US President arrival leaders of the Baltic States' communist parties were to have a meeting in Minsk. A joint operation by the Lithuanian and Belarusian law-enforcement authorities resulted in arresting and repatriating Lithuanian communist leaders Burokevicius and Ermolavicius. The case became a reason for parliamentary hearings by the Supreme Soviet of Belarus. The Belarusian KGB Chairman and Interior Minister have been forced by the deputies to resign. Many people believe that Procurator-General Vasily Sholodov is the chief culprit of the scandal. He had given his oral agreement to the deportation of the Lithuanian communist, but despite that managed to retain his post. The Parliament has found the law-enforcement authorities guilty of violating laws. Many spectators of the show held within the Parliament also see other obvious motifs for the two key ministers' resignation.

Last December Generals Shirkovsky and Yegorov made public their jointly signed letter to this country's leadership. It was very critical of the activities of the State Secretariat for National Security headed by Gennady Danilov widely known as "Premier's man". According to the Generals, the latter tended to interfere with the management of the two key ministries of the Republic of Belarus.

At that very time Moscow was busy reorganizing the government. Gaidar and Fedorov have left it. They were the people opposed to the plans of the Russian and Belarusian Premiers to unify the two countries' monetary systems.

The Premier considered the unification to be his last trump card in his rivalry with Shushkevich for leadership. Russian Premier Chernomyrdin's visit to Minsk originally scheduled for January was put off against the background of the economic crisis in Belarus getting a landslide dimension. Then the pro-communist Supreme Soviet majority decided to remove their speaker Shushkevich from power.

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Physicist replaced by general  
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## Parties and owners

Privatization is an inalienable element of transforming a command economy into a free market one. The question of how the political parties and movements of our Republic imagine a privatization process is answered by **Yuri DRAKOKHRUST**.



### Belarusian Popular Front

According to the BPF, denationalization must precede privatization. It suggests that privatization should be suspended and the state property use put in order, the state-run enterprises gaining a complete freedom of business operations, which involves a possibility of bankruptcy (full economic management rights and self-financing). The state makes contracts with boards of directors or holding groups, which manage an enterprise. The contracts should specify the profit-sharing principles governing the relations among the owning state, company personnel and the team of entrepreneurs.

The economic reform plan developed by the BPF pro-

vides for privatization beginning after the denationalization is over. The privatization rights should be delegated to the appropriate levels of the state management (national or local ones) within the framework of Laws in effect. Parallel to denationalization and privatization, the BPF proposes a nationalization of the property seized by corruptors in violation of Law.

### United Democratic Party of Belarus

The party is opposed to a paid privatization, as it can only serve to deteriorate the conditions of the capital market formation. According to the UDPB, privatization must be based on the following principles:

- the shortest possible

privatization period (up to three years);

- the lowest possible withdrawal of money from the public by the state involved in a property redistribution;

- no limitations imposed on the use scope of the property acquired by a new owner;

- the state institutions must play just the role of customers in the process of privatization and determine no more than privatization terms, while the very privatization process should be carried out by private auditing and financial companies.

A coupon privatization represents the best response to the above principles. A fair share of people are expected to prefer getting rid of their coupons and property will very soon go to the persons, who want and are able to own it.

The advantages offered may be of two kinds: either a preferential right to purchase the company property enjoyed by the company personnel, or preferential prices of stock and property set for the company personnel.

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Privatization: partisan position  
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On January 21 we had our first meeting with the MEN readers. As they usually write in such cases, it was attended by diplomatic mission representatives, public and religious activists, businessmen and guests. The readers were most interested in legal and ecological issues.

MEN LIVE will be the slogan of our further meetings with our readers. It will also be the heading of our new column, in which the editors will answer questions. This issue has been short of space for the column, but the next meeting will take place on February 18 at 3.30 pm, at the Writers' House, 5 Franz Str., 1 floor, Round Hall.



# Flight analysis



According to the food price growth, in 1993 Belarus was ahead of all the other ex-USSR Republics; economist Yefim GERSTEIN does not say it. But he informs on many other interesting results of the last year.

Future historians of the Belarusian economy will hardly call the year of 1993 a remarkable one. Hyperinflation and production fall started in 1992 and are still here; privatization was marking time and is still in process of indulging in this unreasonable kind of business; the public's real incomes were falling and still are.

## Production Fall

In 1993 the Gross Domestic Product was 91 per cent of that in 1992 (1992 on 1991 - 90 per cent), in the industrial production the figures are reverse - 90 and 91 per cent. In industry the production fall is different throughout its branches (See Table 1). It is so drastic in the fuel industry mainly due to a great cut (by 40.3 per cent) of the Russian crude oil supplied for refining. On the whole, the annual agreement on supplies of Russian crude to our country has been implemented in 74 per cent. However, the me-

chanical engineering production, in practical terms, has remained stable, although many products are meeting considerable sales difficulties: in the 11 months of 1993 Belarus supplied to the ex-USSR countries 16 per cent trucks and 26 per cent less tractors, than in the 11 months of 1992.

The ununiform production fall, despite all the obvious negative consequences, causes some passive structural changes in the industry, which generally follow a progressive course, e.g. growing shares of mechanical engineering, light and food processing industries.

What is likely to happen in 1994? The fall will hardly exceed its past records, because, firstly, there is no more space under feet to fall any further, secondly, many companies have adapted themselves to operating in a crisis, and, thirdly, in the 4th quarter of 1993 the production level mainly remained around the figures of the 4th quarter of 1992, i.e. there are some

Table 1

	in percentage, comparable prices	
	1993 on 1992	1992 on 1991
Gross domestic product	91	90
Total industrial output	90	91
including		
Fuel industry	59	57
Mechanical engineering and metal-working	101	91
Food-processing	97	82
Production of consumer items	94	95
Exports	69	64
Imports	103	39

signs of stabilization, although it may well be due to seasonal factors.

The would-be production development is to a great extent determined by today's investments, their volume being on a decrease. Within a year the capital investments fell by 13 per cent and by more than a third on 1991, while the production sphere investments plummeted by a half.

With the present inflation rate, I cannot think of any brave people ready to invest lots of money in long-term projects. Hence, the prospects for 1994 are gloomy.

## Inflation

Inflation remains the chief enemy of the economy, apart from becoming, alas, a habitual phenomenon. In 1993 the purchasing power of the "rabbit" down for the population 29-fold against 18 in 1992.

Within just two years the monetary unit has got 508 times "thinner", while within three years, this is to say during the years which separate us from relatively stable prices, it shrank by 1260 times. If we multiply this figure by the expected inflation growth in January 1994 of 1.5 times, it will make circa 2000 times - it means we should roughly multiply by two thousand the "stagnation times" prices many of us still remember very well before going shopping some time early in February.

Even steeper was the price growth of industrial product manufacturers - by

some 40 times in 1993, the fuel industry prices, for instance, going up within the last 2 years by almost 7000 times.

The accelerated 1993 inflation, particularly, in late 1993 is mainly due to Russia abandoning the rouble-circulation area last summer. However, the inflation also has its deeply-rooted reasons. Beside the excessive credit emission, exaggerated tax pressure and speculative operations, the inflation is caused by structural disproportions, economic monopolism and an uncertain status of the state-run enterprises, their finances being actually one with the state finances. In 1993 the inflation ultimately gained the dimension of a post-push inflation.

One of the proofs to support this thesis is a significant back-log of the salaries and wages behind the inflation rate (See Table 2). In December 1993 the average monthly pay went up on December 1992 by mere 13.3 times, i.e. was more than twice behind the price growth. Regrettably, most people keep on getting ever poorer. Another important indicator is a growing percentage, from 39 to 45, of the people's food expenses in the total consumer expense structure.

I do believe there are no series premises for any substantial reduction of the inflation rate in 1994.

Table 2  
Growth, in times

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Changes in product and service prices	1.25	1.7	2.2	2.9	3.5	4.3	5.1	6.3	8.8	12.8	18.9	28.7
Changes in the dollar exchange rate (clearing circulation)	1.09	1.22	1.71	2.14	3.1	3.8	3.9	5.5	6.5	8.2	11.8	14.3
Changes in average monthly salaries and wages	1.11	1.4	1.8	2.8	2.3	3.2	3.8	4.7	5.4	8.0	10.3	13.2

# Local computer nets to yield a rich catch

He who wants cannot afford it and he who can seldom knows he needs it, - according to Vitaly KOPYL, the phrase aptly describes the situation in the market of local computer networks.



The local computer network (LCN) market of Belarus is a classical illustration of a conflict between Opportunity and Need. Generally, potential network complex users are having at present financial difficulties. This means the biggest industrial companies: Minsk Truck Plant, Belarusian Truck Plant, Motorcycle and Bicycle Plant, State Ballbearing Plant etc. The general economic instability observed in this country has relegated issues related to informatics to the background.

Due to their specific profiles and the need to process a lot of data, many of our major manufacturers have already installed one or several interconnected LCNs, e.g. the Minsk Truck Plant and the State Ballbearing Plant. Some enterprises, like the Motorcycle and Bicycle Plant, are going to buy the network complexes they need. Some companies using the NetWare v2.15 network operating system (NOS) with their work stations nearing one hundred should switch over to a more powerful version. The problems normally solved by these production units (design, technology, automatic development system, drawing storage and retrieval, office work, book-keeping, warehouse records, etc.) lead to a large number of WSs connected to a LCN. On an average, one available LCN serves 70 WSs (Belarusian Truck Plant). Among the local network topologies used, predominant is the thin coaxial cable-based Ethernet. The FoxPro DBCS is mainly used for developing network data bases (DBs), the less frequently used control system is Oracle (Minsk Truck Plant).

The executive power authorities are in a more preferable situation. The objectives they face (economic analysis, office work, assignment execution supervision and data collection, processing and search) determine the typical LCN implementation to be used: NOS - NetWare v3.11 ENGLISH 25/50 user; number of WSs served ranging from 10 (Minsk Central Custom-House) to 40 (Centre for Information Technology Development with the RB Council of Ministers); topology - Ethernet; network server - class 486 DX. It deserves mentioning that bodies of state power

generally tend to organize global computer networks (GCN). For example, the Minsk Central Custom House is planning to install LCNs at all the customs to be joint in the future in a X25 internet protocol-based GCN. The CoM Centre for Information Technology Development intends to set up a unified data search system in the sphere of legal and economic information. It is to unite such state authorities as the Railway Directorate, State Committee for Economy and Planning, State Oil Committee, State Communications Committee and Customs.

Today banks are the chief buyers of network complexes. Very often they prefer state-of-art network equipment. Belvneshekonombank has purchased the AS400 minicomputer with a 100 WS network complex. However, if we are to speak in terms of a typical banking LCN implementation, it is NOS NetWare v3.11 ENGLISH, 20 (Belagroprombank) to 50 (Belarus Bank) WSs served, Ethernet topology (Token-Ring in case of the Belvneshekonombank), data medium - twisted pair, powerful net server class 486DX-66 and a network DB developed on the basis of the Oracle DBCS, e.g. Belpromstroibank. In the next 3 to 5 years the banks are likely to remain in the lead as to the volumes of network complex purchases, due both to an expected rise in their number and to the current policies of acting banks in opening many more offices and branches.

Because of their high price the Unix LCNs are not yet widely used (Minsk Truck Plant and National Bank represent exceptions to the rule), but interest to them is genuine.

Apart from the above main network complex users, private companies belonging to the new economic formation are becoming attractive potential customers, as many of them are in need of simple 3-5 WS LCNs. According to some estimates, by the end of this year the sales of such networks may go up by 80 per cent.

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# Misty unification of currency

By Alexander BURDA

January 1994 was featured by unification of the Belarusian and Russian monetary systems.

The whole story began with rumours. In early January after another meeting with the Russian leadership RB Prime Minister Vyacheslav Kebich and Board Chairman of the RB National Bank Stanislav Bogdankevich declared that a possible introduction of the Russian rouble was imminent. The most spectacular thing was the exchange rate promised by V. Kebich, one to one, although the market exchange rate was BRB 4.41 to one Russian rouble. However, S. Bogdankevich said the issue was not yet finalized and several other exchange rate options were under discussion.

Nevertheless, the rumour was started. It was picked up by newspapers and TV, which made a hue-and-cry over Belarus being part of the rouble-circulation area as soon as from January 5. This led to a panic on the exchange market.

A mass-scale dumping of

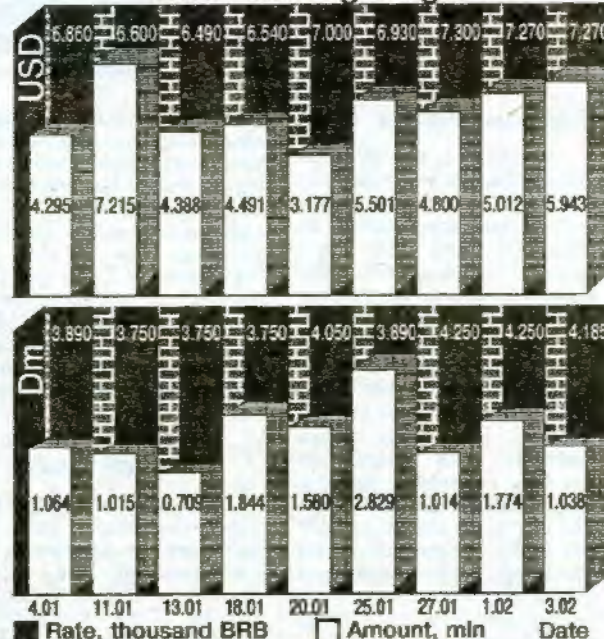
hard currency began both on the market and in the ready-cash circulation. Nothing wrong with the people who did it: the dollar rate was BRB 6,600 in Minsk against RUR 1,300 in Moscow. The currency holders rushed to get rid of it and the dollar exchange rate fell: down to BRB 6,490 on the exchange market on January 13 and to BRB 4,200 in cash circulation on January 11-13. Yet, on January 14, when it became clear that the whole story was little more than a rumour, the cash rate jumped up to the BRB 5,000 mark, while by January 24 it crossed the six thousand mark, the market rate followed the trend to reach BRB 7,000 on January 20. After the news was spread that S. Shushkevich was leaving, it went up to BRB 7,300 on January 27.

It means there has been no unification. Now the highest authorities are filled with rumours of the unification taking place in the first quarter of 1994. Perhaps, the fact of Gaidar and Fedorov

leaving the Russian government and Shushkevich being deposed from the Belarusian Parliament chairmanship will make this step more real, although it is dictated by purely political reasons, rather than economic ones. As

a matter of fact, in economic terms the unification will cost Russia, according to most experts, \$ 1bn. Is this the price of the Russian bear's serenity and free passage to the West?

IBEM trading diagram



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# Legal chronicle



Despite hardships, life goes on, and naturally new laws are passed. Alexander PLASKOVITSKY is here as usual to make his comments. Today his article covers the standard-setting acts passed in December.

Law of December 9 introduced some alterations to the Economic Procedure Code. The right of physical persons acting as economic entities to address the Economic Court has found its comprehensive development, while an obligatory pre-trial (claim) procedure of dispute settlement has been abolished. The state tax is payable also in a freely convertible currency. Claims filed by foreign juridical and natural persons (except those registered in the same monetary zone where Belarus is) are taxed in the convertible currency, only. The period of economic dispute consideration has been prolonged up to two to three months, whereas the period of enforcing a court verdict has been prolonged up to twelve months.

December, as has become a habit, was marked by changing this country's tax policies. With much haste and inconsistency on December 10 was adopted the Law on Altering Tax Acts (took effect on January 1, 1994). The tax laws deliberately stress that foreign legal entities, their representative offices and foreign-invested companies are considered Belarusian tax-payers.

The value-added and fuel taxes have been reduced from 25 to 20 per cent (for agricultural and some other companies to 10 per cent) and from 20 to 10 per cent, respectively. Yet, the issue if just one or all the participants of a fuel circulation chain based on the Belarusian territory shall pay the tax, is vague.

Private businessmen are subject to value-added tax levying, if their income exceeds 250 minimum monthly pays, but the maximum income tax rate has been cut for them from 60 to 30 per cent.

The profit tax for leasing state property and sale of property and foreign currency has been introduced to replace the income tax. Reduced down to the general level is the profit tax affecting auctions, leasing, currency dealers, agents, pawn-offices, markets, exchanges and banks.

The 15 per cent profit tax rate will cover those enterprises, where turnout is under 5,000 minimum monthly pays, inclusive.

Instead of differentiated income tax rates with regard to royalties, licenses, lease payment, dividend and other incomes derived in our Republic, foreign nationals will pay a standard rate of 15 per cent.

A preliminary 10 per cent tax is levied on commodities imported for commercial exhibitions.

In case of founding foreign-invested companies, where construction and installation operations represent a share of the authorized capital, the government may prolong the period of authorized capital formation by another 2 years. If a foreign-invested company is liquidated while it is still tax exempt or within three years after the tax exemption period is over, the company is obliged to pay the profit tax for the period of its tax exemption.

The land lease payment rate payable by foreigners may not be under the land tax rate, while in respect of all the others the lease rate may not exceed it. The terms of payment have also undergone changes.

The transit tax-payer list has been contained to foreign

persons. The profit tax privileges have been maintained for non-state-run manufacturing companies.

VAT-exempt are duty-free shops situated in custom area, and vitally important deficient imported products specified in a special government list.

Export and import duty privileges are treated in a different way. Duty-exempt are:

- products imported or exported under custom regimes: custom storing, temporary use, improvement, processing for a free circulation and custom-supervision transport;
- imported or repatriated equipment, materials or property being a contribution to the authorized capital;
- equipment, materials and property imported for founding new production units and upgrading the existing ones in compliance with a list thereof subject to approval by the government on an annual basis;
- products to be sold through duty-free shops;
- products imported for replacement within the framework of contract warranty;
- equipment imported and exported under leasing deals.

In conformity with the procedure and terms liable to confirmation by the government, humanitarian aid is import duty exempt.

Excise duty rates have been revised. Excise duty is payable for products imported under contracts concluded after January 1, 1994. In respect of imported crude oil and refined oil products no excise duty shall be paid in 1994.

The Law on Enterprises has fixed the priority of budget payments. It has also legally fixed a tax payer register (alongside an economic entity register), listing on the register being mandatory within 15 days from the economic entity's incorporation.

What is bigger - new taxes or old ones - depends on specific circumstances, but the government maintains that the total share withdrawn in favour of the national budget and other central funds from the proceeds is to go down from 46.4 to 37.1 per cent.

Under the Law on State Budget for 1994 passed last December 22, the 3 per cent tax collected in favour of the extra-budget retail price regulation fund, has been lifted. The Chernobyl tax has been cut from 18 to 12 per cent.

According to the Rules of Currency Fund Formation in 1994 (passed last December 22, in 1994 the economic entities, except cases specified in Laws in effect, shall:

- conduct sales of 50 per cent of their hard currency proceeds on the domestic currency market of the Republic of Belarus;
- pay to the account of the Council of Ministers of the Republic of Belarus 15 per cent of their hard currency proceeds compensated in the national currency under the single official exchange rate.

The remaining part of the currency proceeds remains in control of the economic entities to be used for any legal purposes.

The barter deal taxation procedure has been extended

for 1994.

Under a Parliamentary Enactment of December 9, the Regional Soviets are allowed to collect a tax amounting to 1 per cent of proceeds from all enterprises for the purpose of maintaining department-owned housing.

A Parliamentary Enactment of December 22 says that enterprises, institutions, organizations and amalgamations - the exception being made for budget-financed ones and entities engaged in agricultural production and organizations run by the Society of Disabled People - as well as private businessmen shall pay to the national budget a public health development tax amounting to 3.6 per cent of their labour remuneration funds.

An Enactment of December 22 has introduced rates of payment to the state-controlled social security:

- for public organizations of disabled people, old-age pensioners, veterans and their organizations - 4.7 to 20.4 per cent;
- for agricultural producers - 30 per cent;
- for organizations of lawyers - 5 per cent;
- for other enterprises and citizens, which are granted by Laws in effect the right to hire workers under job contracts - 35 per cent.

Besides, individual citizens pay a mandatory 1 per cent and individual entrepreneurs (self-employed businessmen) 15 per cent of their incomes.

On December 17 the Supreme Soviet set the minimum monthly pay at BRB 30,000, while the government set on December 24 the first-grade wage minimum at BRB 33,000.

CoME (Council of Ministers Enactment) No. 816 of December 3 introduced that the "confidential" mark may be withdrawn from patents and other similar certificates by the organizations, to which the certificates belong.

CoME No. 819 of December 3 set the currency expense standards for people traveling on business abroad.

CoME No. 821 of December 3 ordered the local Soviets to draw up by April 1, 1994 the lists of citizens entitled to privatization coupons.

CoME No. 824 of December 7 introduced the rules governing a procedure of incorporating enterprises, organizations, institutions and associations based on the Republic's property. Ministries, departments, state committees and even associations set up by the government have been given an ultimate right to found and liquidate such economic structures (except concerns and amalgamations), however so far it needs approval from the State Property Committee for Economy and Planning and Finance Ministry. The government reserved for itself the right to set up concerns and amalgamations, as well as the right to delegate powers to this effect. Thus, the state property is again transformed into departmental property. Moreover, the state-run enterprises will be able to act as founders of subsidiaries with a permission from the above bodies, and set up separate divisions with no permissions whatsoever.

CoME No. 827 of December (effective since December 15) and CoME No. 867 of December 27 (effective since January 1, 1994) changed the state duty rates for Notary Public acts.

CoME No. 832 of December 10 approved Temporary Rules of External Labour Migration. The State Migration Service of the State Committee for Labour has been in-

structed to issue licenses to economic entities authorizing labour import and export of the domestic labour force with regard to the current situation on the domestic labour market. One license costs a minimum monthly pay per worker and is issued for one year subject to prolongation for another year. Those who are hiring foreigners have been given a three-month period to obtain the license.

A job contract concluded with a migrant worker must include the following data:

- full name, birth place and date, residence and marital status of the worker;
- place of making the contract;
- type of employment and job;
- remuneration amount and form, including payment for night shifts, overtime work, bonuses and commuting expenses;
- accommodation conditions and payment;
- boarding conditions;
- social protection measures;
- right to use social facilities, training institutions and public health services;
- contract period and prolongation terms;
- reasons for a premature contract cancellation.

A medical test is mandatory before going abroad to work. The right to get an entry visa at a Belarusian consular office abroad is only granted to the persons, whose licenses have been sent to the consular office. Immigrants should get a registration from the Interior Ministry authorities. In order to go abroad, the labour contract must be registered by a Regional/Metropolitan migration service.

Companies engaged in employment services have to report on a quarterly basis on any job contracts concluded with their participation.

CoME No. 838 of December 13 reduced the price of a permit to import by a foreign national a hunting gun from USD 100 to 25.

CoME No. 846 of December 16 provides for a creation by January 1, 1995 of the State Treasury within the Finance Ministry, which is intended to spend the state money.

CoME No. 859 of December 22 approves the terms of the first issue of the state short-term bonds of 1994 to cover the budget deficit.

CoME No. 865 of December 27 specifies the quantity of privatization coupons to be distributed among the owners of devalued Savings Bank deposits.

CoME No. 870 provides that instead of employment agreement a job contract may be concluded for at least 2 years with deputy managers, leaders of subdivisions, chief experts, legal experts, senior foremen and foremen of economic entities irrespective of their ownership forms. A premature contract cancellation results in paying a 6-month salary, while 3 monthly pays are due in case of a

timely contract cessation.

CoME No. 871 of December 29 introduced a payment of USD 10 by the Belarusian car owners for going to the CIS countries, and USD 30 for going to other countries.

CoME No. 878 of December 31 introduced the tax rates for using natural resources and the limits of their production, while CoME No. 881 set the tax rates for environmental pollution.

On December 31 the government and the National Bank approved the procedure of land hypothecation by the Belarusian Joint Stock Commercial AGROPROMBANK for providing credits to the land owners.

CoME No. 880 of December 31 granted the right to the State Committee for Economy and Planning to set maximum levels of wholesale and retail prices of mass-consumption brands of bread, milk and dairy products, baby food, vodka and rectified spirits, rent, municipal services, gas, electricity, or else, as an alternative, to introduce their market pricing.

On December 3 the government and the National Bank authorized cash payment for purchases worth up to 50 minimum monthly pays instead of 7 ones legal before.

Under an Enactment passed by the government and National Bank on December 10, trading companies are disallowed to buy imported consumer goods, unless they pay in full for their purchases of agricultural and other socially-vital products. The fine for delayed payment for agricultural products has been increased from 0.5 to 1 per cent.

Under its Enactment of December 10 the National Bank prohibited to any public political associations and state management authorities (except the specially empowered ones) acting as bank founders. The local authorities may act as founders upon getting agreement from their higher bodies. The form of bank ownership should be determined as a state, private or mixed one.

The National Bank has banned since January 10 exchanging foreign currency by exchange offices without filling in documents registered by the tax authorities, otherwise they are in jeopardy of losing their licenses. The exchange offices must be equipped by April 1 with summing-up cash machines for handling currency exchange.

On November 19 the Finance Ministry approved the standard forms for filling in annual bookkeeping accounts by enterprises, institutions and organizations.

The Belorusskaya Delovaya Gazeta has begun since December 28 the publication of the State Register of Economic Entities Occupying a Dominating Position on the Republic's Commodity Markets, which was approved under the Belarusian Anti-Trust Committee's Order No. 89 of December 15.

## Physicist replaced by general

By Roman YAKOVLEVSKY

Continued from page 1

The first speaker of the Belarusian Parliament was forced to resign after the August coup of 1991. At that time the timid deputies elected as their speaker physicist Stanislav Shushkevich. The same year he became a founder of the CIS. Shushkevich has been treated by many deputies as a permanent object of criticism for breaking up the Soviet Union.

Shushkevich's opponents were very attentive observers of the Moscow political undercurrents. Many analysts tend to believe that strengthened positions of the Russian Premier this January have greatly contributed to the decision to dislodge the Belarusian Supreme Soviet speaker. The objective has been achieved. About two-thirds of the deputy corps have voted for a resignation. The BPF Supreme Soviet opposition abstained from voting. According to some unofficial reports, Shushkevich's removal from power was unexpected for Russian President Yeltsin, which fact may be among other things explained by lack of information at the Russian Embassy to Minsk.

The international reaction to Shushkevich's dismissal was negative but reserved. As a response, some Premier's favourites have feigned their total indifference. The Premier himself believes everything is perfectly OK. The Parliament is as before and the politics will remain as before, he is quoted as saying.

Nine candidates for speakership were proposed. Just three were left on the voting list. According to the results of the two tours of voting, Lieutenant-General of the reserve Mechislav Hryb (Mechislav Grib) was elected speaker. For three years he had been in charge of the parliamentary committee for national security. It should be remembered that he was vehemently opposed to the demarche by the two key ministers. He has a positive opinion of the government activities. As is well known, the speaker believed the main reason for the economic crisis was the Belarusian government's reluctance to conduct reforms.

The new speaker has acknowledged that the reason for his differences with Shushkevich was the attitude to the collective security system. Belarus had a special position on the issue due to some reservations related to sending its troops to the conflict areas. Mechislav Grib's loyalty to the new Russian military doctrine give ground to assume a possibility of a change in Belarus' special attitude to the collective security.

The nearest future will show how consistent the new speaker is in his intentions to conduct a Russian-style reform of the state security machinery. He had repeatedly reiterated this intention when in charge of the parliamentary committee.

The dominating opinion in the Belarusian ruling circles is that presidential elections must be held in 1994. Mechislav Grib favours a strong presidential power. The premier, ex-speaker and the present Supreme Soviet boss are believed to fight for presidency. Many observers are quite positive that stating ex-speaker Shushkevich's political death is premature.

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# Belarus January press

Leonid SHCHUKIN has no time to read all the 1000 Belarusian periodicals issued per month, but he is close to it. From now on MEN readers will have with his help a better idea of our media.



The first month of the current year has been quite a hectic one, and the readers of over 180 periodicals present on the subscription list were not bored. As a matter of fact, not all the publications have reached certainty as to their finance and circulation and some did not appear on a regular basis, but most of the newspapers reviewed have made a variegated mirror reflecting our life.

The many trips by our leaders to Moscow to sign preliminary documents on joining the rouble-circulation area have found their reflection in fundamental interviews by Premier Kebich and National Bank Board Chairman Bogdankevich (See R\* No 8 Jan 15 and NH No 8 Jan 13, respectively). The former said about a dire need for the unification, about the agreement strengthening Belarus and the CIS and that it is the only way to save our economy, which has been Kebich's lifelong aspiration. The latter said in a cautious way, typical of a finance expert, that there are many difficulties ahead and that the one-to-one (i.e. 1 "rabbit" to 10 Russian roubles) unification is pregnant in consequences of destroying many banks, insurance companies, enterprises and businessmen holding their capitals in loans, credits, unfinished projects, materials and products.

On January 24 Minsk was visited by a Russian expert team to finish the documents. They declared Russia would suggest an exchange at 6 Belarusian rabbits to 10 Russian roubles, which literally shocked Mr. Bogdankevich. Anyway, the government is to a wage a big fight for the exchange rate and, upon sovereignty concessions made, also make further economic concessions (See BDG No 2 Jan 18 and BR No 4 Jan 25).

A culmination of the month was a short visit to Minsk by US President Bill Clinton. In our opinion, the

most interesting report on Clinton's visit are to be found in DV No 10 and 11 Jan 17 and 18, BR No 3 Jan 12-18, SN No 2 Jan 19 and LIM No 3 Jan 21. The full text of the joint communiqué issued after the visit is available from MEN.

Hardly had the plume of the Presidential Boeing dispersed, when the Supreme Soviet session resumed its debates and "delighted" people with a cascade of passions crowned with a resignation of two key ministers, Yegorov and Shirkovsky, while Shushkevich followed suit. All the MM gave a detailed coverage to the Lithuanian case (arrest in Minsk and deportation to Lithuania of two Lithuanian communist leaders accused of crime against the independent Lithuanian state), as well as to the heated debates within the Supreme Soviet, which have led to the election of its new chairman (See, for instance, BR No 4 Jan 25 and SB Nos 20-21 Jan 29).

The upheaval of the political passion has prompted some political party leaders to define in press their positions. UDPB Deputy Chairman S.Husak wrote an article 'Time of Soft Reforms Lost' (DV No 5 Jan 3) and P.Brigadin, Deputy Chairman of the People's Accord Party, gave an interview to DV No 1 Jan 3, but by far the bluntest and the most concentrated one was an article by BPF parliamentary opposition leader Z.Paznyak 'On Russian Imperialism and its Danger' (NH No 10 Jan 15-17). The article, which contains, in fact, few new things about the oppositionist position, has caused a negative reaction in all the MM, except LIM. The statements of the opposition leader have demonstrated once again the oppositions evolution to an overt nationalism. Deputy V.Tikhinya said in his interview to SB No 19 Jan 28, the article caused such an indignation among most Supreme Soviet deputies, that they prepared a special draft enactment, but failed to pass

it for lack of time.

Readers interested in the Belarusian history and its relations with Russia should read an essay by Doctor of Historical Science L.Lych 'None - either afore or now...' (LIM No 52 Dec 31, 1993).

In January many newspapers were publishing laws earlier passed by the parliament. With regard to laws, we would like to inform our readers that their publication in four "selected" newspapers, SB, NH, R and Z is considered an official promulgation. Their precise texts both in Belarusian and in Russian are later published by The Vedomosti Verkhovnogo Soveta and The Collection of Enactments by the Government of the RB.

Starting with its No 3 Jan 18 BR began publishing all the 15 RB laws on taxation altered and amended under the Law on Altering and Amending the Standard-Setting Acts of the Republic of Belarus on Taxation, dated December 10, 1993.

The press brought few reactions to the catastrophic situation in the industry, which is understandable: nearly all the factories were stopped till January 10 and many have been so until this very moment. Visiting the halted factories is a macabre of experience. At the ELEKTRONMASH factory based in Minsk, furious female workers (no pay since last November) beat their director. The main problem faced by the production companies is crazy heat and electricity bills. Power supervision inspectors have become ominous personalities at the factories: they go around and shut off the switches. The unexpected result of the production cuts is an improvement of the environmental situation, especially in Zavodskoi and Partizansky Districts (See ZY No 14 Jan 2 - interview with Anatoly Dorofeev, Chairman RB State Committee for Ecology).

It is not an easy thing to review at least 1000 issues of various periodicals in a short article. We have done our best to concentrate on the main items. All the articles reviewed are available in the original hereinafter from MEN and at any time, if you wish so, may be translated into English.

Besides, we recommend the following January press materials:

**Sociology:**  
articles by Doctor of Sociology I.Kotlyarov on the balance of power in Belarus (7D No 2-3 Jan 15, 7D No 5 Jan 29, SB No 19 Jan 28)

**Power crisis:**  
'Not a Myth, but Not a Reality Yet, Either' (7D No 5 Jan 29)

**Arms trade:**  
'Troops Trained to Trade' (DV No 3 Jan 5) and 'What Prevents Our Arms Trade?' (NEH No 3 Jan 19)

**Crime:**  
'1993 Statistics' (DV No 1 Jan 3)

**Minsk Economy:**  
'Transport Romanticism Era Over' (DV No 16 Jan 25)  
'Revolutions Initiated From Top Also Happen in Supply' (SB No 18 Jan 27)  
'Minsk Housing Construction' (DV No 12 Jan 19)

**Ecology:**  
'Hazardous Chemical Plants' (DV No 15 Jan 24)

**Politics:**  
'Where War Demons Sleep?' - Brussels NATO summit, European security and Belarus (R No 6 Jan 13)

**Economic crime:**  
'Hostages of Lawlessness' (DV No 1 Jan 3)

**Operations of Anti-Trust Committee** (DV No 5 Jan 10)

**Appeals by public organizations:**

'Appeal by RB Non-Governmental Organizations to RB Citizens' (NH No 9 Jan 14)

'Appeal by Confederation of Industrialists and Entrepreneurs to Supreme Soviet Deputies' (NEH No 4 Jan 26)

**Economy:**  
'Take-Off Run without Take-Off' (RB small businesses) (BR No 3 Jan 18)

'They Tell Us to Begin Perestroika' (Programme by State Committee for Economy and Planning on RB Economy Transformation) (Z No 16 Jan 25)

## \* Abbreviations:

R - The Respublika  
NH - The Narodnaya Hazeta  
MEN - The Minsk Economic News  
BR - The Belorussky Rynok  
BDG - The Belorusskaya Delovaya Gazeta  
LIM - The Literatura i Mastatsva  
DV - The Dobry Vechar  
SN - The Svobodnye Novosti  
NEH - The Natsyianalnaya Ekonomichnaya Hazeta  
Z - The Zvyazda  
SB - The Sovetskaya Belorussiya  
ZY - The Znamya Yunosti  
7D - The Sem Dnei  
BP - The Belorussky Predprinimatel  
MM - mass media

## Faces and images



By Roman YAKOVLEVSKY

After Belarus declared its independence, as the first ever Defence Minister was appointed Chief of Staff of the former Belarusian Military District Lieutenant-General Pavel Kozlovsky.

Born to a large farmers family, their father killed in World War II, Pavel Kozlovsky dreamed of serving with the Navy. But upon finishing the Muravsk secondary school in Brest Region, he joined the Tashkent Higher Army Command School. The would-be Minister spent his younger years serving with the Army in Uzbekistan. His personal record mentions twice an early promotion in rank. Later he graduated with honours from the Frunze Academy and the Higher Staff Academy.

At the age of thirty-six in 1978 he went to Angola to serve as a brigade advisor and stayed there till 1980. It was in Angola that he acquired combat experience and learned Portuguese.

According to Kozlovsky, his choice in favour of a military career was influenced by books written by batallist authors, while the then Soviet Army senior officers Marshal Ogarkov and General Tretyak inspired his greatest respect.

Upon being nominated Defence Minister, Pavel Kozlovsky encountered some problems he had not been trained to cope up with either in the academies or in the African combats. A sovereign Belarus declared its intention to become a neutral and nuclear-free nation. The Minister, generally, had to solve issues related to a radical reduction of the Armed Forces.

Today Colonel-General Pavel Kozlovsky is the only three-star general in the country. However, there used to be three of them, but as is well known in January 1994 the KGB and Interior Ministry bosses were forced to resign. They were the ones who were extremely critical of the

Belarusian Army reform policies pursued by their three-star colleague. The Defence Minister had been accused of a personnel selection based on the principles of friendly relations and nepotism. The Armed Forces of Belarus are also accused of corruption. The issue of joining the Collective Security Agreement has become a personal trial for Pavel Kozlovsky. He believes, if Belarus is threatened, troops of the neighbouring CIS countries may be deployed on our territory. The Belarusian minister

has personal friendly relations with his Moldavian and Uzbek opposite numbers. By the way, Kozlovsky is the first graduate of the Tashkent military school to become a defence minister. He is quite often nostalgic of the years he spent in Uzbekistan, which is partially due to the fact that his wife is a Samarkand native. The Minister has three children, a daughter and two sons. He has two grandchildren. Both his son and son-in-law are officers.

General Kozlovsky is a senior officer with the third world's combat experience. A curious fact is that he was in command of the Grodno Army right after General Boris Gromov, a well-known Afghan army commander, now Deputy Defence Minister of the Russian Federation.

Kozlovsky considers the day in 1979 when his father's tomb was found among the World War II burial sites in Kaliningrad Region is among the most remarkable in his life.

Last year the Belarusian Defence Minister for the first time paid an official visit to the USA. According to Kozlovsky, his contacts with the US military during the visit were confidential. The Belarusian Minister has remembered the moment of taking pictures near a Stealth plane, which was secret shortly before. The US talks were marked by mutual respect and there was no feeling of the superpower's supremacy. Kozlovsky said he developed very good working relations with the new Polish Defence Minister during their meeting in Grodno earlier this year.

In his time off Minister Kozlovsky is fond of hunting. His favourite beverage at official receptions and parties is vodka. When serving in the Caucasus, he became a fiend of mountain-climbing and achieved Grade Two in this sport. Five times he climbed to the top of the Kazbek peak.

Beyond any doubt, April is the best month in the Minister's life. It was in April that he was getting his general stars and on April 22, 1992 the Supreme Soviet appointed him Defence Minister. Coincidence wanted that his career success followed his birthdays on March 9. The Minister's favourites are hopeful that his main opponents from the Belarusian Servicemen Association advocating a militarization of the Army will not cast gloom over his festivities next April.

## Who did what to help us

Data on total foreign humanitarian aid to Minsk by Dec 1, 1993 in kg

Donor nation	Qty	Including					
		products	pharmaceuticals	medical equipment	clothes and footwear	mixed cargo	other supplies
City total	5216196	3788941	196983	102337	112960	972262	42713
Germany	1637689	543544	75894	64489	72285	839094	42383
Sweden	2463	1375	380	-	508	200	-
Mainland China	4205	4200	5	-	-	-	-
Spain	1822	1449	16	-	307	50	-
France	8965	2365	3500	100	-	3000	-
Japan	8148	3055	2251	1940	-	890	10
USA	1669389	1535523	27087	10553	400	95796	30
Belgium	40375	17303	-	5022	50	18000	-
Poland	53843	10200	35031	4600	3390	432	190
Finland	8634	1000	7234	400	-	-	-
Holland	60985	53270	3741	244	-	3630	100
Switzerland	64633	2100	10815	13830	34000	3888	-
Hungary	165	-	165	-	-	-	-
India	692	670	22	-	-	-	-
Italy	1607135	1602000	125	10	-	5000	-
Argentina	240	240	-	-	-	-	-
Canada	25472	-	24875	357	-	240	-
Norway	3356	-	-	-	1520	1836	-
Denmark	6117	-	5648	9	460	-	-
Great Britain	4930	4860	69	1	-	-	-
Austria	6930	5787	115	782	40	206	-
Vietnam	10	-	10	-	-	-	-



# Privatization: partisan position

By Yuri DRAKOKHRUST

Continued from page 1

## People's Accord Party

The PAP concept provides for a foundation of the Belarusian Bank for Reconstruction and Development (BBRD), all the state-owned property objects liable to privatization being transferred to its balance. All the RB citizens shall act as the Bank's investors: a nominal account is opened for everyone, it is equal to the balance property per investor.

Parallel to founding the BBRD, operational and economic management of the objects listed as the Bank property is assigned to the Personnel Councils (PC) on a lease basis, the company manager having 25 per cent of the Council votes. Privatization is conducted in the form of issuing stock and the shares of the privatized companies are freely sold on the BBRD Stock Exchange. The PC is entitled to buy 75 per cent of its company's stock. At least 25 per cent of the stock is sold on the Stock Exchange to any legal entities and individuals, foreigners included.

In the process of privatization and denationalization the personnels must enjoy the following preferential rights and advantages:

- transformation of enterprises into stock companies involving no purchase of state-owned property, some of net profits being used to buy the personnel's stock;

- state-owned property purchase at a balance-sheet value of the key assets, the purchase money being chan-

neled to the company development funds, rather than to the state budget.

The denationalization and privatization of retail trade, public catering and public service companies must be carried out as an urgent priority through auctions and other forms of sale, the personnels and Belarusian and foreign investors being treated in course of privatization on an equal footing.

## Movement for Democratic Reforms of Belarus

The MDRB concept provides for a small company privatization at the first stage (1 or 2 years). The companies may be sold at auction or by contest selection among individuals or private companies. The privatization of large companies has to be held in two steps. At step 1 (1 or 3 years) the companies are commercialized and transformed into stock companies. 5 to 7 state holding companies are set up to replace the branch ministries in order to manage them. At step 2 privatization proper of the state-run enterprises is carried out. Its method depends on the specific business and size. Generally, privatization must be conducted by selling stock, a part of the privatized enterprise's stock (but much less than a control packet) may be sold to the personnel on easy terms (up to 20 or 30 per cent).

The MDRB states that any privileges granted to the company personnel represents an act of robbery by the personnel of other members of

the society. The movement doubts a rapid progress of the privatization, as there are no as yet sufficient private investments. Any "couponization", according to the MDRB, will result in depriving the bulk of the population both of coupons and revenues.

## Belarusian Social Democratic Hramada

The BSDH programme entitled Step by Step says: "We, social democrats oppose both total privatization and total state ownership of the basic means of production. We favour a denationalization of the means of production and advocate privatization. Denationalization and privatization must follow Laws of the Republic of Belarus and take into account the interests of working people. The workforce collectives (personnels) should be granted the right to decide, taking into account the public interest, which form of production means ownership suits best this or that enterprise. Our intention is to see hired staff becoming co-owners of their companies in the process of denationalization. The best forms of the production organization, which imply the working people participating both in management and in property, is a self-managed enterprise based on a collective labour ownership form (cooperative societies, people's companies, etc.)."

## Belarusian Congress of Science and Production

The BCSP believes that the chief concept provisions of a privatization programme in the transition period are as follows:

- every RB citizen is entitled to participate in the RB

state property privatization and to get a nominal privatization coupon for his RB property share with regard to his work record and age;

- privatization of an overwhelming majority of the municipal ownership enterprises (small privatization) is to be carried out quickly (1 or 2 years);

- privatization of large state-run enterprises at this period does not have a mass-scale character, but conducted on a selective basis with individual procedures, as objective and subjective factors of any such privatization are ready.

## Movement for Democracy, Social Progress and Justice

The MDSPJ position with regard to privatization is laid down in the movement's declaration released on the occasion of the information published by the Belarusian State Property Committee on another phase of a contest-basis state property privatization. The declaration published by The Belaruskaya Niva daily on December 15, 1993 runs: "The MDSPJ leadership warns the businessmen intending to buy these objects, that all the public wealth managed by the state and sold at auction or otherwise privatized, will be immediately and free of charge returned to its authentic owner, to the people, after an inevitable success at the elections of the public organizations advocating the interests of the working people. We recommend that the workforce collectives of the enterprises liable to privatization form their councils of workers and experts and demand a cessation of the enterprise sale or

transfer to any one's ownership, but retain them in state management or give the workforce collectives the right to use all the production and financial assets on the basis of an agreement reached with the state and have a full control of the results of their labour. It must not be tolerated that workforce collectives become victims of a pernicious policy of speculating the Republic's national wealth in the interests of capital and bureaucracy".

An analysis of the Belarusian political parties and movements' positions on denationalization and privatization prompts the conclusion that all of them except the pro-communist organizations, support in principle the above measures. I would like to point out just the basic differences in approaches.

The BPF, MDRB and BCSP pay a lot of attention in their programmes to the processes of denationalizing and commercializing the state-run enterprises. The BPF programme lays an emphasis on suspending privatization before the state enterprise commercialization is over, as well as on nationalizing the illegally acquired state property.

The UDPB alone favours a landslide privatization option and formulates its objective as activation of the market mechanisms.

The difference in approaches on workforce collectives' participation in privatization quite accurately follows the demarcation lines between the right and the left, as they are classically defined. The UDPB and MDRB consider the personnels may have the right reserved for them

just to buy a small share of their company stock at preferential prices. The PAP suggests that the workforce collectives should have somewhat greater rights in the privatization processes. The social democrats want personnel to become a co-owner of their companies in course of privatization. And, finally, the pro-communist organizations, while being opposed to privatization, prefer that the workforce collectives get part of the state enterprises in their use.

*The article is based on the report Denationalization and Privatization: Partisan Position prepared by the author at the Independent Institute for Socio-Economic and Political Studies within the framework of the CIPE project.*

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## RB CONSULATE-GENERAL TO LATVIA

has begun its work in Daugavpils since February 1. A Latvian consulate is to be opened in the nearest future in Vitebsk.

## WORLD BANK EMISSARY

Jan Pakulski, representative of its Exterior Department, has spent three days in Minsk. His main interest was to see how the Belarusian mass media reflect the problems related to the current transition to a market-oriented economy.

diplomatic rank of Ambassador Extraordinary and Plenipotentiary.

## AUSTRIAN INTERIOR MINISTRY DELEGATION

led by Dr. Oswald Sukap paid a working visit to Minsk. It had talks with the leaders of the Belarusian Interior Ministry aimed at establishing close contacts to combat organized crime drug trafficking and car theft.

## INTERNATIONAL MONETARY FUND MISSION

arrived in Minsk on January 25. It was invited by First Deputy Premier Mikhail Myasnikov for consultations on the planned unification of the Belarusian and Russian monetary systems.

## POET AND BARD OKUDZHAVA'S CONCERT

was picketed by activists of the Movement for Democracy, Social Progress and Justice and Slavic Congress White Russia. The communists' hooliganism is explained by Okudzhava supporting Yeltsin in his TV interview on the Moscow October events.

## ALCATEL-CIT REPRESENTATIVES

have visited Belarus. The Vitebsk MONOLITH factory, Computer Factory and two factories of the INTEGRAL Amalgamation have received probation orders for various telecommunication system elements.

## COMPRESSOR FACTORY

has been commissioned in Minsk. The new production facility included in the ATLANT Production Amalgamation will fully meet the demand of the Minsk Refrigerator Plant for the vital units purchased now from Lithuania for hard currency. The production costs of the domestic refrigerator manufacturer are expected to be cut considerably due to this measure, which greatly improves the ATLANT's chances in its competition with the world's leading manufacturers.

## IN TERMS OF PER CAPITA BANK QUANTITY

Belarus is among the European leaders, according to Deputy Board Chairman of the Belarusian National

Bank Vladimir Sidorov. He said one Belarusian banking institution accounts today for 3060 persons, against 1400 in Germany, 2700 in Great Britain and 3500 in Italy.

## SOUTH-AFRICAN AMBASSADOR

Mr. Dien van Skuer presented his credentials to Mr. Shushkevich on January 24.

## CONSUMER BASKET PRICE INDEX

in December 1993 was 146.4 per cent on November 1993. The growth on December 1992 was by 25.8 times.

## COUNCIL OF MINISTERS

has submitted to the Supreme Soviet draft enactments, entitled: ON Changing State Management Bodies and ON Altering RB Law on Council of Ministers. The reorganization is to reduce from 35 to 32 the number of ministries and state committees and from 30 to 17 that central organizations within the Council of Ministers. 800 persons or 12 per cent of the national-level state machinery personnel are scheduled for reduction.

## ALEXANDER DOBROVOLSKY

Chairman of the United Democratic Party of Belarus, has met in Moscow Yegor Gaidar. The Belarusian politician briefed the Russian ex-Deputy Premier on the attitude of the Belarusian democratic forces to the planned unification of the two countries' monetary systems. According to Alexander Dobrovolsky, in terms of economic reforms Russia is far ahead and that given the present state of the Belarusian economy an equal union with Russia is out of question.

## BELARUSIAN PARLIAMENT

voted on January 25 for the resignation of Interior Minister Vladimir Yegorov and KGB Chairman Eduard Shirkovsky. On January 26 the deputies recalled from his post RB Supreme Soviet Chairman Stanislav Shushkevich.

## NATO MILITARY COMMITTEE CHAIRMAN

Field-Marshal Richard Frederick Vincent arrived in Minsk on January 24 for talks with RB Defence Minister

Colonel-General Pavel Kozlovsky. They discussed some aspects of cooperation development between the NATO alliance and Belarus and possible approaches of Belarus to the Partnership for Peace initiative.



Every Sunday cold water swimming amateurs get together at Komsomolskoye Lake in Minsk. "Life outside seems tolerable after you come out of icy water", said a winter sport fiend to our correspondent.

## INFLATION IN BELARUS

was growing rapidly last year. Starting with 25 percent per month in January, in December 1993 the combined annual inflation rate reached circa 1800 per cent. This figure was quoted in an official report prepared by the National Bank experts.

## AVIS RENT-A-CAR

opened officially its representative office in Minsk. The opening ceremony took place at the Belarus hotel with many honourable guests representing Minsk's leading companies attending. The second office is to be opened on February 10 at the international airport.

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Austrian Airlines and Swissair have been the first Western air carriers to open their office in downtown Minsk Masherov Avenue, Intourist building. An inauguration ceremony, which took place on February 2, gathered air line managers, diplomats and officials.

## EX-USSR DIPLOMATIC AND SERVICE PASSPORTS

issued to the Belarusian citizen will be invalid from April 1, 1994. The decision was taken by the Council of Ministers. The government has also approved a regulation on the Belarusian citizens' diplomatic and service passports.

## SUPREME SOVIET DEPUTIES

Berdavtsev, Lebedko and Shipko continued their parliamentary debates with a few drinks and then went out to rally a bit. The deputies started a fight with three other tipsy young men. The parties involved resorted to some gear: a tear-gas sprayer and a champagne bottle. The fight resulted in Berdavtsev's broken jaw bone and Lebedko's hand-cuffing. The latter intended to start a fight also with an interfering militia patrol.

## 759 AIR FORCE PILOTS

have abandoned the Belarusian Armed Forces and are now guarding the skies over Russia. The "deserters" used to make 60 per cent of our active Air Force pilots. The Belarusian paratroopers have also been affected by a mass-scale exodus to Russia: 339 officers have applied to serve in the Russian Army. The main attraction in Russia is its higher care of the servicemen's social sphere.

## LITHUANIA SHUT DOWN

the 2nd reactor of the Ignalina nuclear power plant. The Ignalina information services made a release that the unit had to be shut down because of a failure in the reactor manual control system. "A control board button failure" was quoted as the reason. The 1st unit was shut down on January 18.

## NATIONAL DRAMA FESTIVAL

is to be held next March in Molodechno. Its organizing committee has been formed and begun work.

## BELARUS IS THE FIRST

ex-USSR Republic to be included in the Corporate Programme of the International Diplomatic Council based in Washington. According to the Programme, our civil servants are to be invited for training to the USA.

## NATIONAL PRIVATIZATION SEMINAR

has been held in Brest. It discussed privatization problems and achievements. Taking part in the seminar were ministers, executive committee leaders and representatives of the World Bank, UN and US Embassy. The seminar culminated in another Brest municipal property auction, which has contributed to the budget BRB 598 million.

## INDIAN AMBASSADOR

to Belarus Mr. Ramesh Chandra Shukla marked with a reception his country's national holiday, Day of Republic.

## ALEXANDER SYCHEV

has been nominated Belarusian UN representative by the RB Supreme Soviet Presidium. He has been given a



"Stop people's pauperization" was the slogan of a rally held in Minsk's Freedom Square. The rally was organized by the trade unions. Besides economic demands, the participants pressed for government resignation and early parliamentary elections.



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## BELARUS BOLSHOI

- Feb 1: Y.Glebov, Master and Margarita (o)  
Feb 2: P.Chaikovsky, Nut Cracker (b)  
Feb 3: Verdi, Ball Mascarade (o)  
Feb 4: Night of One-Act Ballets. Karl Orf, Carmina Burana Bizet-Schedrin, Carmen Suite (b)  
Feb 5: G.Bizet, Carmen (o)  
Feb 6: S.Kibirova, Three Pigs, matinee A.Petrov, Creation of Universe, soiree (b)  
Feb 8: U.Soltan, King Stakh's Wild Hunting (o)  
Feb 10: P.Chaikovsky, Evgeny Onegin (o)  
Feb 12: P.Chaikovsky, Iolanta (o)  
Feb 13: S.Kibirova, Three Pigs, matinee Verdi Requiem, concert performance, soiree  
Feb 15: Mozart, Magic Flute (o)  
Feb 19: S.Kibirova, Three Pigs, matinee Mozart, Wedding of Figaro, soiree (o)  
Feb 20: S.Kibirova, Three Pigs, matinee N.Rimsky-Korsakov, King's Bride, soiree (o)  
Feb 22: Puccini, Tosca (o)  
Feb 23: S.Prokofiev, Romeo and Juliet (b)  
Feb 24: Concert Masterpieces of Belcanto. From Monteverdi to Verdi, Belarusian Opera Soloists  
Feb.: P.Chaikovsky, Sleeping Beauty (b)  
Feb 26: Verdi, Traviata (o)  
Feb 27: S.Kibirova, Three Pigs, matinee A.Khachatryan, Spartacus, soiree (b)

Contact phones: 341158 - promotion manager, 341041 - opera booking office, 341142 - ballet booking office.

## PHILHARMONIC SOCIETY

### Concert Hall

- Feb 8: Organ Music. Sergei Tsatsorin, J.S.Bach  
Feb 13: Wind Instrument Orchestra NYAMIHA, Concert to mark UNESCO's Year of Family  
Feb 14: Symphony Orchestra of Belarus and Shyma Capella Choir, conducted by L.Kremer, Germany. Brahms, German Requiem  
Feb 16 and 17: Concert Programmes to Mark 20th Anniversary of KHAROSHKI Dancing Company. Presentation of programme Farewell to 20th Century  
Feb 18: Concert Homage to Mikhas Zabeida-Sumitsky. State Folk Instrument Orchestra, conducted by Mikhas Kazinets, soloist Alyaksandr Rudkousky

### Chamber Hall

- Feb 12: Portraits of Composers, Saint-Saens and Franck. Kastus Sharau, organ  
Feb 15: Organ Music, Frescobaldi, Dendrieux, Bach and Boehm. Syamyon Dzishur  
Feb 28: Prominent Cello and Piano Pieces, L.S.Bach, Brahms and Franck. Aleh Alounikau and Yuri Hildzyuk

Contact phones: 333580 and 335103

## Arts forecast

By Dmitry  
PODBEREZSKY

This February 24 to 27 the Philharmonic Society's Concert Hall will host Minsk's first ever international jazz festival. Besides the hosting Mikhail Finberg band, playing in Minsk will be the bands of Oleg Lundstroem and Anatoly Kroll, Moscow, with Rune Karlsson and Lars Sjoesten, Sweden, soloing: Oseichuk quartet, LBril and The New Generation (all from Moscow): Phil Abrahams, Belgium: Digest vocal group, St Petersburg; Escoude Gypsy jazz trio, France; Danny Gottfried trio, Israel; Alexei Kozlov, Moscow; A.Anusauskas group, Lithuania, etc. Most Russian jazzmen have already played in Minsk many times, but such a great number of European musicians will appear in Minsk for the first time. This way the Belarusian capital is to become the last CIS European region capital to open itself to foreign jazz.

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## Ladies and Gentlemen,

If You feel like listening to the music, playing music, singing or talking about art, we invite You to visit our Musical Salon!

Take Your kids along, they will have fun, too.

The first meeting is on February 25 at 6 p.m. at the Trade Union Palace (Dvoretz Profsojuzov).

Address: Minsk, 25, Skarina Ave., #202

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